

Message Text

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ACTION ARA-17

INFO OCT-01 ADP-00 SSO-00 NSCE-00 USIE-00 INRE-00 CCO-00

FILE-01 CIAE-00 DODE-00 PM-09 H-02 INR-10 L-03

NSAE-00 NSC-10 PA-03 RSC-01 PRS-01 SS-15 EB-11 AID-20

IO-12 COA-02 COME-00 RSR-01 /119 W
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O P 192352 Z MAY 73

FM AMCONSUL RIO DE JANEIRO

TO SECSTATE WASHDC IMMEDIATE 8398

INFO AMEMBASSY MANAGUA PRIORITY

S E C R E T SECTION 1 OF 2 RIO DE JANEIRO 1738

SECTO 106

E. O. 11652: GDS

TAGS: OVIP XM NU

SUBJ: SECVISIT LA: MEMORANDUM OF CONVERSATION- SECRETARY
ROGERS AND GENERAL SOMOZA

1. A PRIVATE MEETING WAS HELD IMMEDIATELY AFTER LUNCHEON ON MAY 14, 1973 BY SECRETARY ROGERS WITH GENERAL ANASTASIO SOMOZA. ALSO PRESENT WERE MOTIEL, ASSISTANT SECRETARY DESIGNATE KUBISCH, AND AMBASSADOR SHELTON.

2. THE SECRETARY OPENED THE CONVERSATION BY SAYING HE WELCOMED THIS OPPORTUNITY TO HAVE THIS PRIVATE CONVERSATION WITH GENERAL SOMOZA, HE WANTED TO EXPRESS ON BEHALF OF PRESIDENT NIXON AND HIMSELF THE DEEP SENSE OF REGRET WHICH THEY FELT OVER THE CATASTROPHIC EARTHQUAKE WHICH OCCURRED DECEMBER 23, 1972 IN MANAGUA. GENERAL SOMOZA RESPONDED BY SAYING THAT HE WAS EXTREMELY PLEASED TO HAVE THE OPPORTUNITY TO EXPRESS ON BEHALF OF THE NICARAGUAN GOVERNMENT AND PEOPLE THE DEEP APPRECIATION THAT WAS FELT FOR THE TIMELY, EFFICIENT, AND TREMENDOUS ASSISTANCE THAT HAD BEEN RENDERED BY THE UNITED STATES TO NICARAGUA AT THIS DIFFICULT TIME. GENERAL SOMOZA SAID THAT HE ASKED
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SECRETARY ROGERS TO EXTEND TO PRESIDENT NIXON THE DEEPEST APPRECIATION OF EVERYONE IN NICARAGUA. GENERAL SOMOZA THEN SAID THAT HE WOULD LIKE TO USE THIS OCCASION TO DISCUSS WITH THE SECRETARY A FEW POINTS WHICH WERE OF GREAT INTEREST TO NICARAGUA. SOMOZA

SAID THAT HE WAS HOPEFUL THAT THE UNITED STATES COULD SEE ITS WAY CLEAR TO SPONSOR CERTAIN "PREFERENTIAL TREATMENT" FOR NICARAGUAN PRODUCTS IN ALL GAAT COUNTRIES FOR A PERIOD OF TWO AND A HALF YEARS. SOMOZA EXPLAINED THAT IF THIS COULD BE ACCOMPLISHED THAT NICARAGUA WOULD BE ABLE TO CONTRIBUTE MORE USEFULLY TO ITS OWN REHABILITATION AND WOULD THEREFORE REQUIRE LESS ASSISTANCE FROM THE UNITED STATES AND THE INTERNATIONAL LENDING AGENCIES. SOMOZA STATED THAT HE SPECIFIED TWO AND A HALF YEARS BECAUSE THIS WOULD ALLOW THE NICARAGUAN PEOPLE TO EXPAND THEIR PLANTING IN 1974 AND 1975 AND THUS HAVE LARGER EXPORTS IN VARIOUS PRODUCTS SUCH AS COTTON AND TOBACCO, WHICH WERE SUBJECT TO VARIOUS TRAFFIC RESTRICTIONS. SOMOZA EMPHASIZED THAT HE WAS REQUESTING THIS SPECIAL TREATMENT FOR A LIMITED PERIOD IF THIS WAS POSSIBLE IN ORDER TO ASSIST NICARAGUA IN MEETING ITS REHABILITATION NEEDS. HE FURTHER MADE THE POINT THAT HE BELIEVED NICARAGUA WAS ONE OF ONLY TWO COUNTRIES IN THIS AREA WHICH HAD COMPLETELY ACCEDED TO GAAT AGREEMENTS, AND THAT HE FELT IF THE UNITED STATES COULD FIND IT POSSIBLE TO SPONSOR THIS PREFERENTIAL TREATMENT FOR NICARAGUA FOR A PERIOD OF TWO AND A HALF YEARS THAT IT WOULD SIGNIFICANTLY CONTRIBUTE TO NICARAGUA'S REHABILITATION AT A MUCH LOWER COST TO THE UNITED STATES AND THE INTERNATIONAL LENDING COMMUNITY. SECRETARY ROGERS ASKED THE AMBASSADOR IF THIS SUBJECT HAD BEEN TAKEN UP BY HIM WITH THE DEPARTMENT. THE AMBASSADOR REPLIED IN THE NEGATIVE, STATING THAT THIS WAS THE FIRST TIME GENERAL SOMOZA HAD MADE SUCH A PROPOSAL. THE SECRETARY INDICATED THAT THE MATTER WOULD BE STUDIED.

3. SOMOZA THEN RAISED THE SUBJECT OF THE POSSIBILITY OF PREFERENTIAL TREATMENT FOR AGRICULTURAL PRODUCTS SUCH AS TOBACCO WHICH HE WAS AWARE THE UNITED STATES EXTENDED TO THE PHILIPPINES AND PRIOR TO THE COMING OF CASTRO, HAD EXTENDED TO CUBA. SOMOZA'S PRESENTATION TOOK THE FORM OF INDICATING THAT HE FELT THAT THE CLOSE RELATIONSHIP WHICH EXISTED BETWEEN NICARAGUA AND THE UNITED STATES MIGHT WELL JUSTIFY CONSIDERATION OF SUCH SPECIAL PREFERENCES ON AGRICULTURAL QUOTAS AND WOULD BE CONTRIBUTING GREATLY TO THE ECONOMIC WELL BEING OF NICARAGUA. SOMOZA THEN MENTIONED THE FACT THAT DURING A VISIT TO JAPAN HE HAD TALKED

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WITH FORMER PRIME MINISTER SATO WHO HAD SUGGESTED THAT IN VIEW OF THE RISING COSTS OF MANUFACTURING IN HIGHLY INDUSTRIALIZED NATIONS, THAT IT WOULD BE WELL FOR NICARAGUA TO CONSIDER THE POSSIBILITY OF INCREASING ITS COTTON WEAVING AND COTTON TEXTILE MANUFACTURING WHICH COULD BE ACHIEVED AT A LOWER COST THAN IN INDUSTRIALIZED NATIONS AND EXPORTING THE FINISHED MATERIAL RATHER THAN THE RAW COTTON. SOMOZA SAID THAT HE RECOGNIZED THAT AN INCREASE IN TEXTILE MANUFACTURING WOULD REQUIRE HIGHER BILATERAL QUOTAS AS WOULD INCREASED PRODUCTION IN SUGAR AND OTHER ITEMS COVERED BY QUOTAS BUT THAT HE FELT THAT THIS WAS A USEFUL WAY IN WHICH NICARAGUA COULD BE ENCOURAGED TO HELP ITSELF. SOMOZA STATED THAT HE WAS AWARE OF THE PROBLEMS WHICH WERE INVOLVED BUT MERELY WISHED TO BRING THESE MATTERS TO THE

SECRETARY'S ATTENTION. AT THIS POINT SOMOZA EMPHASIZED ONCE AGAIN HIS APPRECIATION FOR THE OUTSTANDING ASSISTANCE WHICH WAS BEING GIVEN NICARAGUA UNDER THE A. I. D. PROGRAM AND SAID THAT NICARAGUA WAS MAKING EVERY EFFORT TO PRESENT ITS CASE FORCEFULLY TO THE INTERNATIONAL LENDING AGENCIES IN ORDER TO KEEP THE AMOUNT OF BILATERAL AID NECESSARY FOR RECONSTRUCTION WITHIN REASONABLE LIMITS. SOMOZA SAID HE WANTED TO ASSURE THE SECRETARY THAT THE NICARAGUAN GOVERNMENT WAS RIGOROUSLY ATTEMPTING TO MEET ALL THE SPECIFICATIONS AND REQUIREMENTS CALLED FOR UNDER THE TERMS OF A. I. D. LOANS AND THAT HE HAD ASKED THE VARIOUS MINISTRIES TO RECOGNIZE T ADP000

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O P 192352 Z MAY 73

FM AMCONSUL RIO DE JANEIRO

TO SECSTATE WASHDC IMMEDIATE 8399

INFO AMEMBASSY MANAGUA PRIORITY

S E C R E T SECTION 2 OF 2 RIO DE JANEIRO 1738

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4. GENERAL SOMOZA THEN SAID THAT HE WAS AWARE THAT A CARGO RESERVE LAW WHICH HAD BEEN PASSED UNDER HIS ADMINISTRATION HAD CREATED SOME CONCERN WITH SHIPPING INTERESTS IN THE UNITED STATES AND THAT HE HAD STUDIED THIS LAW VERY CAREFULLY AND HAD REACHED THE CONCLUSION THAT IT WAS NOT CONSISTENT WITH THE "MOST FAVORED NATION" STATUS EXISTING BETWEEN NICARAGUA AND THE UNITED STATES, NOR WAS IT CONSISTENT WITH THE TREATY OF FRIENDSHIP, TRADE AND NAVIGATION WHICH HAD BEEN SIGNED BY THE TWO COUNTRIES. SOMOZA EXPLAINED THE CARGO RESERVE LAW ENACTED UNDER HIS PRESIDENCY HAD BEEN HANDLED AT "ARMS LENGTH" BY HIM BECAUSE OF A POSSIBLE CONFLICT OF INTERESTS IN VIEW OF THE FACT THAT HE OWNED THE NATIONAL NICARAGUAN STEAMSHIP LINE. SOMOZA SAID HE WISHED TO ADVISE THE SECRETARY THAT AFTER REVIEWING THE LAW AND REACHING THE CONCLUSION THAT IT WAS NOT CONSISTENT WITH THE TREATIES AS OUTLINED ABOVE, THAT HE WANTED TO ASSURE THE SECRETARY THAT THE LAW WAS BEING RE-WRITTEN SO AS TO RELAX ITS PROVISIONS AND TO MAKE IT COMPLETELY CONSISTENT WITH THE RESPONSIBILITIES OF NICARAGUA UNDER ITS BILATERAL AGREEMENTS. SECRETARY ROGERS EXPRESSED HIS APPRECIATION

FOR BEING INFORMED IN THIS MATTER.

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5. GENERAL SOMOZA SAID THAT THE ABOVE REPRESENTED ALL OF THE BILATERAL MATTERS WHICH HE WISHED TO MENTION AND THEN HE MADE REFERENCE TO PRESIDENTS CALDERA AND PASTRANA (VENEZUELA AND COLOMBIA) RESPECTIVELY, STATING THAT THEY WERE PERSONAL FRIEND OF HIS AND ASKED THAT THE SECRETARY EXTEND HIS WARM REGARDS TO THEM. SOMOZA SUGGESTED AT THAT POINT THAT IN DEALING WITH THE LEADERS OF PERU HE FELT THAT IT WOULD BE HELPFUL TO SPEAK FORCEFULLY AND FRANKLY WITH THEM SO THAT THERE COULD BE NO MISUNDERSTANDING AS TO THE PRECISE ATTITUDE OF THE UNITED STATES TOWARD THEIR ACTIONS. SOMOZA PARTICULARLY RECOMMENDED THAT IT BE MADE CLEAR TO THE PERUVIAN LEADERSHIP THAT NATIONALIZATION OF THE FISHING COMPANIES AND FISH MEAL COMPANIES WAS OFTEN A DEVICE USED BY LATIN COUNTRIES TO COVER LOCAL COMPANIES WHICH WERE IN DIFFICULT FINANCIAL STRAITS AND THAT HE FELT THAT IT WOULD BE USEFUL TO EMPHASIZE TO GOVERNMENT LEADERS THAT THEY COULD NOT APPLY THESE STANDARDS TO NATIONALIZATION OF AMERICAN OWNED COMPANIES WHICH WERE IN GOOD FINANCIAL CONDITION. SOMOZA CLOSED HIS DISCOURSE BY STATING THAT THE LEADERS OF CENTRAL AMERICA WERE HIS PERSONAL FRIENDS OF LONGSTANDING AND IF THERE WAS ANY WAY THAT HE COULD BE HELPFUL IN ASSISTING THE UNITED STATES IN ANY OF THE COUNTRIES OF THE AREA HE HOPED THE SECRETARY WOULD NOT HESITATE TO LET HIM KNOW. THE SECRETARY EXPRESSED HIS APPRECIATION FOR THIS OFFER AND THE PRIVATE MEETING ENDED WITH SOMOZA' S REITERATION OF HIS APPRECIATION FOR THE ASSISTANCE BEING RENDERED BY THE UNITED STATES.

6. DURING THE LUNCHEON CONVERSATION GENERAL SOMOZA TOLD SECRETARY ROGERS THAT IT WAS HIS OPINION THAT IN VIEW OF THE DISARRAY PRESENTLY EXISTING IN CHILE THAT IT WAS ABSOLUTELY ESSENTIAL THAT ARGENTINA PULL ITSELF TOGETHER AND BECOME ORGANIZED ALONG MORE VIABLE LINES. SOMOZA SAID HE RECOGNIZED THE DIFFICULTIES WHICH HAD EXISTED IN THE PAST BETWEEN THE UNITED STATES AND PERON BUT THAT HE FELT THAT NOW IT WAS EXTREMELY IMPORTANT IN VIEW OF THE DIFFICULTIES WHICH EXISTED IN THAT AREA THAT THE UNITED STATES SHOULD BE AS FORTHCOMING AS POSSIBLE TO THE NEWLY ELECTED PERONISTA PRESIDENT AND THAT HE COULD NOT HELP BUT FEEL THAT SUCH A POLICY WOULD PAY OFF IN STRENGTHENING ARGENTINA AND THUS MAKING IT LESS SUBJECT TO INCREASED DIFFICULTIES.

7. THE SECRETARY DURING THE COURSE OF SEVERAL CONVERSATIONS
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EXPRESSED THE STRONG SUPPORT OF THE UNITED STATES GOVERNMENT AND THE PERSONAL INTEREST OF PRESIDENT NIXON AND HIMSELF IN ASSISTING NICARAGUA IN ITS RECOVERY EFFORT.

ROGERS

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